JEREMIAH W. (JAY) NIXON, GOVERNOR • RONALD J. LEVY, DIRECTOR

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June 22, 2009

Dear County Commissioner:

This letter serves as official notification of funds available for the Homelessness Prevention and Rapid Re-Housing Program (HPRP) as authorized under Title XII of Division A of the American Recovery and Reinvestment Act of 2009 ("Recovery Act"). The Department of Housing and Urban Development (HUD) has determined the State of Missouri's share of these funds to be \$27,263,384. Of this total funding, \$12,011,262 will be distributed by the Missouri Department of Social Services (DSS), Family Support Division (FSD). An additional \$15,252,122 will be distributed by HUD directly to five metropolitan cities and urban counties (Kansas City, Springfield, St. Joseph, St. Louis City, and St. Louis County). This letter addresses only those funds available for distribution by DSS.

DSS will distribute the \$12,011,262 primarily in the form of grants to county governments. County governments may designate other units of local government (any city, county, town, township, parish, village, or other general purpose political subdivision of a state) to serve as its designee to apply for its allocation. (See Appendix A for maximum initial allocation per county. Any funding remaining after the initial allocation will be reallocated in a second allocation process to counties that will include HUD direct funded communities.) Grantees may, in turn, use the funds to provide services directly or via contract with nonprofit, 501 (c), service organizations. Only one application will be accepted per county, though a group of counties may pool their allocation into an area or regional application (see attached guidance).

DSS must obligate all HPRP funding by September 30, 2009. Sixty percent (60%) of allocated funds must be expended by September 30, 2011, with one hundred percent (100%) expended by September 30, 2012. No funds may be drawn down after the September 30, 2012 deadline. If your county is interested in applying for its allocation for a Homeless Prevention and Rapid Re-Housing Program grant, please review the enclosed information and submit a "Letter of Intent to Apply" (see attached guidance) postmarked no later than July 6, 2009, to:

Missouri Department of Social Services
Family Support Division
Attention: Jeannie Chaffin
P. O. Box 2320
Jefferson City, MO 65102-2320

RELAY MISSOURI

FOR HEARING AND SPEECH IMPAIRED

1-800-735-2466 VOICE • 1-800-735-2966 TEXT PHONE

Congress enacted the Recovery Act to help persons affected by the current economic crisis. The purpose of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) is to provide homelessness prevention assistance to households who would otherwise become homeless—many due to the economic crisis—and to provide assistance to rapidly re-house persons who are homeless as defined by section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302).

Grantees are allowed the discretion to develop prevention and/or rapid re-housing programs that meet locally-defined needs. However, the expectation is that these resources will be targeted and prioritized to serve households that are most in need of this temporary assistance and are most likely to achieve stable housing, whether subsidized or unsubsidized, outside of HPRP after the program concludes. Grantees should take this opportunity to develop strategies to identify eligible program participants, review existing models for prevention and rapid re-housing programs, and create a plan that utilizes all resources available through the Recovery Act in order to provide a comprehensive menu of services to assist eligible program participants. See <a href="http://hudhre.info/hprp">http://hudhre.info/hprp</a> for additional information and resources. HPRP is focused on housing for homeless and at-risk households. It will provide temporary financial assistance and housing relocation and stabilization services to individuals and families who are homeless or would be homeless but for this assistance.

The funds under this program are intended to target two populations of persons facing housing instability:

- Individuals and families who are currently in housing but are at risk of becoming homeless and need temporary rent or utility assistance to prevent them from becoming homeless or assistance to move to another unit (prevention), and
- Individuals and families who are experiencing homelessness (residing in emergency or transitional shelters or on the street) and need temporary assistance in order to obtain housing and retain it (rapid re-housing).

Although all eligible activities can be used for both populations, considering two eligible populations is a framework for targeting funds that grantees might find useful in establishing local programs and considering the most effective use of funds. Based on HUD requirements, DSS has established eligibility requirements for program participants.

As part of its planning process, DSS representatives met with individuals with expertise and involvement in homelessness and housing and drafted the following guiding principles for effective use of HPRP resources:

- 1. Resources should be targeted to households with the highest likelihood of becoming homeless.
- 2. Programs should provide just enough assistance to prevent or end an episode of homelessness stretching resources as far as possible.
- Distribution of funds should achieve maximum access for needy Missourians while minimizing administrative costs as much as possible.

Other federal, state and local funds, including other ARRA funds must be coordinated.

5. HPRP funds should supplement and compliment existing programs. Subgrantees should have the infrastructure, capacity and experience to distribute funds rapidly to Missourians with housing need that have been caused by the down turn in the economy.

Counties and subgrantees should utilize these guiding principles in making funding decisions. They should also consider the sustainability of services established under HPRP after the 3 year funding period.

DSS elected to contract with counties in order to keep decisions as to how funds should be allocated at the local level where there is increased understanding of the community's needs. Counties or their designee must review local needs, prioritize local providers and select those subgrantees that can best meet the needs of the target population. Existing local planning groups such as the Continuum of Care body, United Way, unmet needs committees and other local groups should be brought in to assist in planning and prioritization since they will have an in-depth understanding of the community.

It is important to note that HPRP is not a mortgage assistance program. Congress has established other programs to assist with the current mortgage crisis. HPRP funds are only eligible to help program participants—whether they are renters or homeowners about to become homeless—pay for utilities, moving costs, security deposits and rent in a new unit, storage fees, and other financial costs or services as described in the attached guidance. HPRP funds are not eligible to pay for any mortgage costs or legal or other fees associated with retaining homeowners' housing.

Grantees are not required to match HPRP funds with any other funding source.

See attached guidance for additional information.

Thank you for your interest in this program. If you need further assistance in this matter, contact Jeannie Chaffin, Program Manager, at 573-751-6789.

Sincerely,

Ronald J. Levy

Director